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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/081,460	02/21/2002	Randall Brummette	061801/1015	1067

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EXAMINER
WRIGHT, JAMES B

ART UNIT	PAPER NUMBER
3693	

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05/21/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

	Application No.	**Applicant(s)**
	10/081,460	BRUMMETTE ET AL.
Office Action Summary	**Examiner**	**Art Unit**	
	J. Bradley Wright	3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on <u>28 February 2007</u>.

2a)☐ This action is **FINAL**.   2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-31* is/are pending in the application.

   4a) Of the above claim(s) *32-37* is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-31* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

   Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

   Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

   a)☐ All   b)☐ Some * c)☐ None of:

   1.☐ Certified copies of the priority documents have been received.

   2.☐ Certified copies of the priority documents have been received in Application No. _____.

   3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

   * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☒ Notice of References Cited (PTO-892)
2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3)☐ Information Disclosure Statement(s) (PTO/SB/08)
   Paper No(s)/Mail Date _____.
4)☐ Interview Summary (PTO-413)
   Paper No(s)/Mail Date. _____ .
5)☐ Notice of Informal Patent Application
6)☐ Other: _____.

DETAILED ACTION

Election/Restrictions

1.   Applicant's election without traverse of Group I, claims 1-31 in the reply filed on

February 28, 2007 is acknowledged.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly
claiming the subject matter which the applicant regards as his invention.

2.   Claim 3 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite

for failing to particularly point out and distinctly claim the subject matter which applicant

regards as the invention. In particular, it is unclear as to whether the one or deal prices

include one or more from a group of factors and client-related information, or whether

the client-related information is included within the group of factors. For the purposes of

examination, the latter interpretation has been considered.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that

form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by
another filed in the United States before the invention by the applicant for patent or (2) a patent
granted on an application for patent by another filed in the United States before the invention by the
applicant for patent, except that an international application filed under the treaty defined in section
351(a) shall have the effects for purposes of this subsection of an application filed in the United States
only if the international application designated the United States and was published under Article 21(2)
of such treaty in the English language.

3.   Claims 1-3, 5-6, 13-17, 19, 21-24, 26 and 28-31 are rejected under 35

U.S.C. 102(e) as being anticipated by Karpovich, et al. (US Patent Application

Publication No. 2005/0021454).

4.   Regarding claim 1, Karpovich discloses a system for entering into foreign

exchange (FX) transactions (see Figures 1 and 2, and Abstract), the system comprising:

- one or more processors (paragraph 0059) configured to:

- receive a trade order pertaining to a currency pair (Figure 5, and paragraphs

0060-0065 and 0069);

- apply one or more deal price factors to an FX rate for the currency pair to

generate a deal price for the currency pair (Figure 4, and paragraphs 0030 and 0066-

0068); and

- determine whether to initiate the execution of a trade, the trade based on the

trade order and the deal price (paragraphs 0049 and 0070).

5.   Regarding claim 2, Karpovich further discloses that the one or more processors

are coupled to an Interbank trading platform and the one or more processors are further

configured to receive FX rates for the currency pair (Figure 3, and paragraphs 0030 and

0066).

6.   Regarding claim 3, Karpovich further discloses that the one or more deal price

factors include one or more from the following group of factors: size of the trade; the

amount of transactions handled by the system in a first time period in the currency pair;

the amount offered by the system in a second time period for the currency pair; and

market information; and client-related information (paragraphs 0030 and 0066-0068).

7.   Regarding claim 5, Karpovich further discloses that applying the one or more

deal factors includes executing a software routine (paragraph 0022, 0024 and 0067).

8.   Regarding claim 6, Karpovich further discloses that the one or more processors

are further configured to identify one of multiple clients from which the trade offer

originated and wherein the deal price factors are based on the identified client

(paragraphs 0030 and 0068).

9.   Regarding claim 13, Karpovich further discloses that the one or more processors

are further configured to determine whether to initiate the trade by determining whether

a trade parameter is exceeded (paragraph 0070).

10.   Regarding claim 14, Karpovich further discloses that the one or more processors

are further configured to override, in response to a received input, a determination that a

trading parameter is exceeded (paragraph 0049).

11.   Regarding claim 15, Karpovich further discloses that the one or more processors

are further configured to: enter into multiple trades with multiple clients; and aggregate

trades for each client and issue one or more trade tickets to each client (paragraphs

0047-0049 and 0069-0070).

12.   Regarding claim 16, Karpovich further discloses that the one or more processors

are configured to aggregate trades based on currency pair; value date; and direction,

thereby issuing each client an aggregate buy ticket and an aggregate sell ticket

(paragraphs 0047-0049 and 0069-0070).

13.   Regarding claim 17, Karpovich further discloses that the one or more processors

are configured to aggregate trades on a periodic basis (paragraphs 0047-0049 and

0069-0070).

14.   Regarding claim 19, Karpovich further discloses a gateway coupled to the one or

more processors, the gateway coupled to one or more client processors (Figures 1 and

2, and paragraphs 0060 and 0068).

15.   Regarding claim 21, Karpovich discloses a method of entering foreign exchange

(FX) transactions (see Figures 1 and 2, and Abstract), the method comprising:

   • receiving FX rates for one or more currency pairs (Figure 3, and paragraphs

0030 and 0066);

   • receiving a trade order from one of one or more clients, the trade order

pertaining to a currency pair (Figure 5, and paragraphs 0060-0065 and 0069);

- applying one or more deal price factors to determine a deal price (Figure 4,

and paragraphs 0030 and 0066-0068); and

- determining whether to enter into a trade in response to the order (paragraphs

0049 and 0070).

16.   Regarding claim 22, Karpovich further discloses:

- applying one or more indicative rate factors to the received FX rates to

determine indicative rates for the currency pairs (Figure 4, and paragraphs 0030 and

0066-0068); and

- providing the indicative rates to the one or more clients (paragraph 0068).

17.   Regarding claim 23, Karpovich discloses that the indicative rate is the deal rate

(paragraphs 0067-0068).

18.   Regarding claim 24, Karpovich discloses that determining whether to enter into

the trade comprises comparing the offer to trade parameters (paragraphs 0049 and

0070).

19.   Regarding claim 26, Karpovich further discloses adjusting the deal price factors

based on market conditions (paragraph 0066).

20.   Regarding claim 27, Karpovich further discloses adjusting the deal price factors based on positions of the price provider (paragraphs 0051 and 0070).

21.   Regarding claim 28, Karpovich further discloses adjusting the deal price factors based on amount of trades in the currency pair over a time period (paragraphs 0030 and 0068).

22.   Regarding claim 29, Karpovich further discloses the the trade offer is an immediate or cancel offer having multiple trade details and the determining whether to enter into the trade comprises comparing at least one of the trade details to at least one threshold (paragraph 0049).

23.   Regarding claim 30, Karpovich further discloses that the at least one trade detail is rate (paragraph 0049).

24.   Regarding claim 31, Karpovich further discloses receiving multiple trade orders, entering into multiple trades based on the multiple trade orders, and entering into an aggregate trade based on the aggregate of the multiple trades (paragraphs 0047-0049 and 0069-0070).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

25.   Claims 7-12 and 25 are rejected under 35 U.S.C. 103(a) as being unpatentable

over Karpovich as applied above, and further in view of Loh, et al. (US Patent

Application Publication No. 2002/0161692).

26.   Regarding claims 7 and 25, Karpovich teaches the limitations of claims 1 and 21,

respectively, as discussed above. However, Karpovich does not explicitly disclose that

the one or more processors are further configured to determine whether a trading limit is

met. Loh, in an analogous art, discloses a method for facilitating foreign currency

exchange transactions over a network (see Abstract) that includes imposing trading

limits on users (paragraph 0053) for the purpose of protecting the provider of the service

by giving them such administrative controls (paragraph 0039). Therefore, it would have

been obvious to one of ordinary skill in the art at the time the invention was made to

modify Karpovich to impose trading limits on user of the system in order to protect the

·provider of the service, as taught by Loh.

27.   Regarding claim 8, the combination of Karpovich and Loh teaches the limitations

of claim 7, as discussed above. Loh further teaches that the trading limit is a client

trading limit (paragraph 0053).

28.   Regarding claim 9, the combination of Karpovich and Loh teaches the limitations

of claim 8, as discussed above. Loh further teaches that the client trading limit is

selected from the following group of limits: aggregate allowed exposure across all

currency pairs for forward trades; aggregate allowed exposure across all currency pairs

for spot trades; aggregate allowed exposure across all currency pairs for an aggregate

of both forward and spot trades; aggregate allowed exposure to an individual currency

pair for forward trades; aggregate allowed exposure to an individual currency pair for

spot trades; aggregate allowed exposure to an individual currency pair having a

particular value date; and a date limiting how far forward a client can trade (paragraph

0053).

29.   Regarding claim 10, the combination of Karpovich and Loh teaches the

limitations of claim 7, as discussed above. The Examiner takes Official Notice that it

was old and well-known in the art at the time the invention was made to generate a

notification indicating that a system parameter, such as a trading limit, has been met or

violated for the purpose of informing the user that further use of the system may be

restricted. Therefore, it would have been obvious to one of ordinary skill to modify

Karpovich generate a notification for a user when a system parameter has been met or

exceeded, as is old and well-known in the art.

30.   Regarding claim 11, the combination of Karpovich and Loh teaches the

limitations of claim 10, as discussed above. However, Karpovich does not explicitly

disclose that the one or more processors are further configured to initiate or not initiate

a trade based on a response to the notification. Loh discloses providing administrative

controls, such as accepting and rejecting orders, for the purpose of protecting the

provider of the service by giving them such administrative controls (paragraph 0039).

31.   Regarding claim 12, the combination of Karpovich and Loh teaches the

limitations of claim 7, as discussed above. Loh further teaches that the trading limit may

be a trader trading limit (paragraph 0053).

32.   Claims 4 and 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over

Karpovich, in view of Official Notice.

33.   Regarding claim 4, Karpovich teaches the limitations of claim 1, as discussed

above. However, Karpovich does not explicitly disclose that applying the one or more

deal factors includes accessing a database. The Examiner takes Official Notice that is

was old and well-known in the art at the time the invention was made to store data in a

database for the purpose of providing rapid discovery and retrieval of the data at a later

time. Therefore, it would have been obvious to one of ordinary skill in the at the time

the invention was made to modify Karpovich to access a database in order to quickly

and easily discover and retrieve the desired data, as was old and well-known.

34.   Regarding claim 18, Karpovich teaches the limitations of claim 17, as discussed

above. However, Karpovich does not explicitly disclose that the periodic basis may be

daily. The Examiner takes Official Notice that it was old and well-known in the art at the

time the invention was made to aggregate orders on a daily basis for the purposes of

reducing the number of trades and reducing the associated transaction costs.

Therefore, it would have been obvious to one of ordinary skill in the art to modify

Karpovich to aggregate trades on a daily basis in order to reduce the number and cost

of the trades, as was old and well-known.

35.   Regarding claim 20, Karpovich teaches the limitations of claim 19, as discussed

above. However, Karpovich does not explicitly disclose that the gateway communicates

with the client processors via a FIX protocol. The Examiner takes Official Notice that it

was old and well-known in the art at the time the invention was made that the FIX

protocol was the standard electronic protocol for pre-trade communications and trade

execution used in the industry. Therefore, it would have been obvious to one of

ordinary skill in the art to modify Karpovich to communicate with its clients using the FIX

protocol since it is the industry standard electronic protocol for such transactions, as

was old and well-known.

Conclusion

36.   The following prior art made of record and not relied upon is considered pertinent

to applicant's disclosure:

- Mulinder, et al. (US Patent Application Publication No. 2002/0073018) discloses a real-time trading system.

- Feilbogen, et al. (US Patent Application Publication No. 2002/0016762) discloses a method and system for foreign exchange price procurement and automated hedging.

- Boesch, et al. (US Patent No. 5,897,621) discloses a system and method for multi-currency transactions.

- Potter, et al. (US Patent No. 5,787,402) discloses a method and system for performing automated financial transactions involving foreign currencies.

- Glodjo, et al. (US Patent Application Publication No. 2004/0133506) discloses a global electronic trading system.

- Harada, et al. (US Patent Application Publication No. 2003/0208440) discloses an international payment system and method.

- Ranzini (US Patent Application Publication No. 2003/0040994) discloses a system and method for stock exchange listed foreign exchange.

- Bunyan, et al. (US Patent Application Publication No. 2002/0077943) discloses a determination of margins in a transaction system.
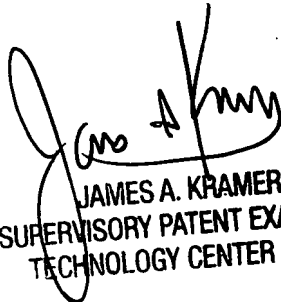

Any inquiry concerning this communication or earlier communications from the examiner should be directed to J. Bradley Wright whose telephone number is (571) 272-5872. The examiner can normally be reached on M - F 8:30am - 5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, James A. Kramer can be reached on (571) 272-6783. The fax phone

number for the organization where this application or proceeding is assigned is 571-

273-8300.

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jbw

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